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Washington D.C. 20505

NIC 03060/1-85

18 June 1985

NOTE FOR: The Honorable Robert C. McFarlane  
Assistant to the President for  
National Security Affairs

Bud:

While I don't endorse every aspect of the Task Force report, it raised some important themes which deserve further attention.

I would encourage you and your staff to consider how such a forum might be used productively to find some more imaginative ways to promote economic development through private enterprise abroad. The Soviets can't compete with us in this regard.

  
William J. Casey

Attachment:

Ltr from DCI to Patrick J.  
Buchanan re the President's  
Task Force on International  
Private Enterprise

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Prepared by NIO/ECON/18 Jun 85

Orig - Addressee w/Atch  
1 - DCI  
1 - DDCI  
1 - C/NIC  
3 - NIO/ECON  
1 - ER Subj File (ER 85-1993)

The Director of Central Intelligence

Washington, D C 20505

NIC 03060-85

18 June 1985

The Honorable Patrick J. Buchanan  
Assistant to the President and  
Director of Communications  
The White House

Dear Pat,

I received a copy of Bill Middendorf's letter of May 30 to you proposing White House backing for a conference to be sponsored by Georgetown University on some of the themes raised in the report of the President's Task Force on International Private Enterprise. This idea has my endorsement.

It is my belief that Third World governments are shifting away from comprehensive central planning and toward more pragmatic and market-oriented economic policies. This trend began in the 1970s when the LDCs encountered tough economic times (two oil price hikes, two recessions, high interest rates, and massive debt), and has accelerated in the 1980s, paralleling similar changes taking place in the industrial world and Eastern Europe. At the same time, the prospects for sizeable new amounts of Western foreign assistance have dimmed, with funds flows increasingly going for security assistance, humanitarian purposes and debt repayment.

This changing climate presents significant economic opportunities for the US:

- to increase the promotion of small-scale private sector economic activity with LCDs,
- to enlarge the flow of foreign direct investment,
- to help state enterprises to become more efficient and find ways to relinquish some functions to the private sector, and
- to strengthen trade, finance, and investment links with LCDs based upon a growing mutuality of economic interest.

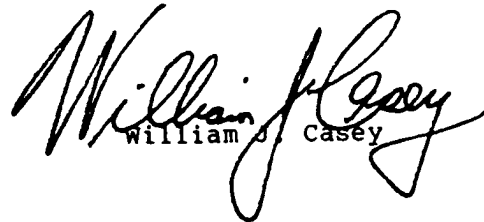
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These forces should strengthen the West's position relative to that of the Soviet Union in LDCs as well.

In order to implement the President's views on the role of private enterprise, much broader initiatives must be undertaken by the Administration, and this conference would help to define some of the mechanisms for improvement. If there are any ways in which we can be of support, please contact my National Intelligence Officer for Economics, David B. Low

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Sincerely,



william j. casey

cc: Mr. Robert McFarlane  
Ambassador J. William Middendorf, II

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Orig - Addressee  
1 - NSC (McFarlane) & with /1  
1 - Amb Middendorf  
1 - DCI  
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